

**LEGISLATIVE SERVICES AGENCY  
OFFICE OF FISCAL AND MANAGEMENT ANALYSIS**

200 W. Washington, Suite 301  
Indianapolis, IN 46204  
(317) 233-0696  
<http://www.in.gov/legislative>

**FISCAL IMPACT STATEMENT**

**LS 7010**

**BILL NUMBER:** HB 1319

**NOTE PREPARED:** Jan 7, 2010

**BILL AMENDED:**

**SUBJECT:** Airport Development by INDOT.

**FIRST AUTHOR:** Rep. Harris

**FIRST SPONSOR:**

**BILL STATUS:** As Introduced

**FUNDS AFFECTED:** ☒ **GENERAL**  
☒ **DEDICATED**  
☒ **FEDERAL**

**IMPACT:** State

**Summary of Legislation:** The bill requires the Indiana Department of Transportation (INDOT) to:

- (1) designate, establish, and maintain access points to and from airports, landing fields, and other navigation facilities;
- (2) annually revise and publish the State Airports System Plan and the State Airways System Plan;
- (3) publish an electronic guide and adopt rules to assist airports, aviation boards, and municipalities in developing local airports; and
- (4) include minimum standards for airport signage in the Indiana manual on Uniform Traffic Control Devices for Streets and Highways.

**Effective Date:** July 1, 2010.

**Explanation of State Expenditures:** *Access Points:* The bill will increase costs for the INDOT to designate, establish, and maintain access points to and from airports, landing fields, and other navigation facilities focusing on preventative maintenance and rehabilitation projects. The statewide cost to designate, establish, and maintain access points for all state airports, landing fields, and other navigation facilities would be based on the total state needs for roadway improvements and signage, and may include transit services for airports near municipal centers.

Some of the costs may be included in the INDOT's road maintenance plans since the INDOT is responsible for maintenance of access points, including roadways and signage along interstate highways or state roads. Local aviation facilities work with other jurisdictions to maintain access points on local roads. [The 2003

Indiana State Aviation System Plan indicates there are 707 public and private aviation facilities, including 106 public use airports. Of the public use airports, 68 were considered being of “state importance”.]

The bill’s requirements represent an additional workload on the INDOT outside of the agency’s routine administrative functions, and existing staffing and resource levels, if currently being used to capacity, may be insufficient for full implementation. The additional funds and resources required could be supplied through existing staff and resources currently being used in another program or with new appropriations. Ultimately, the source of funds and resources required to satisfy the requirements of this bill will depend on legislative and administrative actions.

The bill also requires the INDOT to adopt rules concerning improvement and enhancement of ground access to airports. Adopting rules are within the INDOT’s routine administrative functions and should be able to be implemented with no additional appropriations, assuming near customary agency staffing and resource levels.

*State Airports System Plan; State Airways System Plan; Electronic Guide:* Costs will increase for the INDOT to annually update the State Airports System Plan and to annually publish and revise the State Airways System Plan, maps, directories, or other material. The bill will increase the frequency of updates and increase the number of publications. However, mitigating some of the expense of updating the *2003 State Aviation System Plan*, the INDOT will issue a request for proposal with the intention of updating the plan by December 2010. The plan was last updated in 2003, and the cost of the RFP is expected to be about \$300,000, 95% of which will be paid by Federal Aviation Administration (FAA) federal-aid funds. If the plan is updated in December 2010, subsequent annual updates may require incrementally smaller workload and as a result be less costly.

Also, the INDOT will have increased cost to electronically publish a guide assisting airports, boards, and municipalities to develop strategies to design programs that qualify for federal Airport Improvement Program (AIP) funding, increase the ranking or score of airports on the AIP national prioritization formula, and develop projects and programs that will help procure AIP discretionary funds. The INDOT already provides some of the required guidance and the bill’s requirements for electronic publication are within the INDOT’s routine administrative functions and should be able to be implemented with no additional appropriations, assuming near customary agency staffing and resource levels.

*Background:* There is \$2.4 M appropriated in the biennial budget beginning in FY 2010 for the Airport Improvement Program which provides matching money to federal funds. In general, federal funds are available for 95% of the cost of aviation projects, and the state and/or local government provides the 5% match. The current appropriation is expected to provide 1.25% state funding to the projects. The federal funds are allocated to projects based on the priorities established by the federal government. Generally, access points are a low priority. There is no comprehensive listing of all designation, establishment, and maintenance needs concerning access points for the state.

The INDOT also received \$490,000 from the State Highway Fund for operating expenses of its Office of Aviation.

Current statute requires the INDOT to develop and *continuously* update the State Airports System Plan and allows the INDOT to publish and revise the State Airways System Plan, and maps, directories, or other material from time to time. State law allows the INDOT to sell the State Airways System Plan and maps,

directories, or other material at a price determined by the INDOT. The state has not issued airways plans since its 2007-08 edition, in part, because the FAA issues official aeronautical charts for use by pilots.

**Explanation of State Revenues:**

**Explanation of Local Expenditures:** Local governments may not incur certain local road and signage expense, and potentially airport transit costs, which would become the responsibility of the INDOT.

**Explanation of Local Revenues:**

**State Agencies Affected:**

**Local Agencies Affected:**

**Information Sources:** Joint Study Committee on Mass Transit and Transportation Alternatives minutes, October 27, 2009; *2003 State Aviation System Plan*; Jeffrey Spaulding, INDOT, email 1/6/07.

**Fiscal Analyst:** Karen Firestone, 317-234-2106